

FSCA warns the public against Beurax Trading

The Financial Sector Conduct Authority (FSCA) warns the public against doing any financial services business with Beurax Trading which is not authorised to give any financial advice or render any intermediary services in terms of the Financial Advisory and Intermediary Services Act, 2002 (FAIS Act).

According to the Beurax Trading website, it is a trading platform that offers trading in Forex, contract for difference (CFD's) derivatives, and cryptocurrency. The website claims Beurax Trading makes use of a trading bot that completes over 1000 trade deals a day. Due to what Beurax claims is its "unique algorithms, and high-performance speed", the company states that "it obtains greater profit as compared to traditional trading at stock exchanges, while maintaining the uttermost reliability level". The entity is therefore conducting financial services business and requires a South African financial services provider licence from the FSCA, to conduct business with South African citizens. It is therefore highly likely that they are conducting unregistered business, which is a criminal offence.

The website also claims that it is authorised by the Australian Securities and Investments Commission. The FSCA will confirm this with our Australian counterparts. Of importance however is that Beurax still requires a South African licence to operate locally. A South African licence will subject Beurax to codes of conduct that are designed to protect the investors against fraud and misconduct of any financial service provider (FSP).

It is the FSCA's view that Beurax is luring South African citizens to do business with it with promises of unrealistic returns. The claim on the website of a return of 28% per month is simply not realistic and raises a major concern about the legitimacy of the business. The FSCA reminds the public of the many recent crypto scams where the operators of the schemes were in effect conducting a Ponzi scheme.

Members of the public should always check that an entity or individual is registered with the FSCA to provide Financial Advisory & Intermediary Services and what category of advice it is that the entity is registered to provide. There are instances where persons are registered to provide basic advisory services for a low risk product and then offer services of a far more complex and risky nature. The FSCA again reminds consumers who wish to conduct financial services with an institution or person to check beforehand with the FSCA on either the toll free number (0800 110 443) or on the website www.fsc.co.za as to whether or not such institution or person is authorised to render financial services.

ENDS

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